

Message Text

CONFIDENTIAL

PAGE 01 JIDDA 06597 141402Z

ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 L-03 OES-09 SS-15 SSO-00

INR-10 INRE-00 SP-02 SES-02 H-01 SAA-01 /062 W

-----019695 141414Z /41

O 141110Z SEP 78

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 3288

C O N F I D E N T I A L JIDDA 6597

STADIS//////////

E.O. 11652: GDS

TAGS: ENRG, SA

SUBJECT: CONGRESSIONAL SUBPOENA OF EXXON

REF: STATE 223349

1. IN MEETING WITH OIL MINISTER ZAKI YAMANI ON SEPTEMBER 6 AT HIS HOME IN TAIF, I BROUGHT UP THE SUBJECT OF THE CONGRESSIONAL SUBPOENA OF EXXON AND OTHER COMPANY RECORDS AS SET FORTH IN REFTEL. YAMANI WAS MOST INDIGNANT: QUOTE. "WE HAVE NOT SHARED THIS INFORMATION EVEN WITH OUR OPEC COLLEAGUES. WE REALIZE THAT THIS INFORMATION IS PROBABLY FURNISHED BY THE COMPANIES TO THE STATE DEPARTMENT AND MAYBE THE CIA AND WE HAVE NO REAL OBJECTIONS TO THAT. HOWEVER, ONCE THIS INFORMATION IS IN THE HANDS OF A CONGRESSIONAL COMMITTEE, IT WILL BE THE SAME AS BEING PUBLIC. THIS IS PRIVILEGED INFORMATION OF A HIGHLY CONFIDENTIAL NATURE AND WE DON'T THINK IT OUGHT TO BE MADE PUBLIC UNDER ANY CIRCUMSTANCES. PUBLICATION CAN ONLY DAMAGE U.S. AND SAUDI ARABIA'S RELATIONSHIP," HE SAID, WITH HIS EYES FLASHING.

2. SUBJECT WAS AGAIN DISCUSSED WITH JOHN KELBERER, CHIEF EXECUTIVE OFFICER OF ARAMCO, AT DHAHRAN ON CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JIDDA 06597 141402Z

SEPTEMBER 13. KELBERER LIKEWISE WAS CONCERNED. HE REPORTED THAT THE CHIEF EXECUTIVE OFFICERS OF THE FOUR STOCKHOLDER COMPANIES WERE COMING TO SAUDI ARABIA TODAY FOR MEETINGS WITH YAMANI AND OTHER OFFICIALS. THE PURPOSE OF THE MEETING WAS PRIMARILY TO ATTEMPT TO FINALIZE TAKEOVER OF COMPANIES' REMAINING STOCK IN ARAMCO TO AVOID "SPECTOR OF

DOUBLE TAXATION IF SUCH IS NOT COMPLETED BY END OF YEAR," KELBERER SAID.

3. HOWEVER, HE SAID HE ANTICIPATED THAT MUCH OF THE CONVERSATION WOULD BE DEVOTED TO THE CONGRESSIONAL SUBPOENA.

4. HE ALSO ADDED THAT THE SEPTEMBER 7 DATE HAD BEEN POSTPONED AND THAT LAWYERS FOR THE COMPANIES WERE ATTEMPTING TO LIMIT THE SCOPE OF THE SUBPOENA THROUGH DISCUSSIONS WITH STAFF MEMBERS AND SENATE FOREIGN RELATIONS COMMITTEE. HE ALSO ADDED THAT ATTEMPTS TO MEET WITH SENATOR CHURCH, CHAIRMEN OF THE SUBCOMMITTEE, HAD BEEN FRUITLESS AS THE SENATOR REFUSED TO MEET "AS A MATTER OF PRINCIPLE BECAUSE THE COMPANIES WERE THE SUBJECT OF INVESTIGATION."

5. COMMENT: IF THERE IS COMPLIANCE WITH THE SUBPOENA AND RECORDS WHICH THE SAUDIS CONSIDER TO BE CONFIDENTIAL BECOME THE SUBJECT OF NEWSPAPER LEAKS, AN EXTREMELY NEGATIVE REACTION WILL UNDOUBTEDLY OCCUR HERE. PREVIOUS DISCLOSURE IN NEWSPAPER OF INFORMATION ALLEGEDLY LEAKED BY CIA HAS CAUSED INDIGNATION AT ALL LEVELS OF SAG. ANYTHING THAT COULD BE DONE TO MINIMIZE THIS INVESTIGATION AT THIS TIME WOULD BE HELPFUL IN THE OVERALL CONTEXT OF SECURING CONFIDENTIAL

CONFIDENTIAL

PAGE 03 JIDDA 06597 141402Z

ADDITIONAL SAUDI SUPPORT FOR POST-CAMP DAVID PEACE PROCESS, WHATEVER THAT MAY BE. UNDERLYING THE ENTIRE MATTER IS STILL THE BASIC QUESTION OF PERSUADING THE SAUDIS TO INCREASE OIL PRODUCTION TO THE MINIMUM LEVEL NEEDED BY THE WESTERN WORLD IN THE 1980'S. A CONGRESSIONAL INVESTIGATION WITH ATTENDANT PROBABLE LEAKS DOES NOT HELP US WITH THE PERSUASION PROCESS.
WEST

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, SUBPOENAS, US CONGRESSIONAL HEARINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 sep 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978JIDDA06597
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780374-0017
Format: TEL
From: JIDDA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780967/aaaacdka.tel
Line Count: 103
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b564b350-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS
Reference: 78 STATE 223349
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1435928
Secure: OPEN
Status: NATIVE
Subject: CONGRESSIONAL SUBPOENA OF EXXON
TAGS: ENRG, SA, EXXON
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/b564b350-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014